Message Text

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INFO OCT-01 EUR-12 ISO-00 SS-15 EB-08 L-03 INR-07 DHA-05 IO-13 OES-07 AF-10 ARA-10 NEA-10 /103 W

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P 231647Z SEP 77 FM AMEMBASSY LISBON TO SECSTATE WASHDC PRIORITY 3160

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FOR LAKE, S/P

E.O. 11652: GDS TAGS: XT, PO

SUBJECT: WEST EUROPEAN FACTOR IN AMERICAN POLICY:

PORTUGAL'S PLACE

REF: (A) STATE 216662, (B) STATE 219900

SUMMARY: THE PORTUGUESE GOVERNMENT SUPPORTS MAJOR US FOREIGN POLICY GOALS. IT HAS THE GREATEST CAPABILITY TO HELP IN THE AREA OF HUMAN RIGHTS AND AS AN INTERLOCUTOR WITH AFRICA AND LATIN AMERICA. IT IS INTERESTED, BUT LESS IN A POSITION TO HELP, IN PROMOTING THE US INTEREST IN NONPROLIFERATION AND MOVING THE MTN TO A SUCCESSFUL CONCLUSION. END SUMMARY.

- 1. GOP THINKING: THE GOP POSITION ON MAJOR US FOREIGN POLICY GOALS OVER THE NEXT YEAR IS AS FOLLOWS:
- (A) ARMS PROLIFERATION: THE GOP SUPPORTS U.S. INTERNATIONAL EFFORTS TO CONTROL THE SPREAD OF NUCLEAR AND CONVENTIONAL ARMS. PRIME MINISTER SOARES HAS REITERATED TO THE AMBASSADOR THAT HE WILL PUSH NPT RATIFICATION THROUGH THE LEGISLATIVE ASSEMBLY WHEN IT RESUMES IN OCTOBER. CONFIDENTIAL

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KB) PROGRESS IN THE MTN: THE PORTUGUESE HAVE FOLLOWED MTN NEGOTIATIONS CLOSELY, BUT HAVE NOT SHOWN GREAT INTEREST IN PARTICIPATING IN THEM. THEY HAVE BEEN PREOCCUPIED WITH THEIR OWN INTERNAL AFFAIRS, AND CONCOMITANT PRESSURES FOR MORE PROTECTIVE MEASURES. GOP OFFICIALS GENERALLY ASSUME THAT PORTUGAL, AS A SMALL TRADING NATION,

COULD HAVE LITTLE INFLUENCE ON THE NEGOTIATIONS. THE PORTUGUESE, HOWEVER, HOPE THAT THE TALKS WILL LEAD TO A SIGNIFICANT REDUCTION IN BOTH TRADE AND NON-TARIFF BARRIERS.

- (C) NORTH-SOUTH POLICIES: THE GOP IS ANXIOUS TO COOPERATE IN EFFORTS TO PROMOTE GREATER NORTH-SOUTH UNDERSTANDING. THE PORTUGUESE HAVE MADE A FIRM OPTION FOR EUROPE BUT STILL VIEW THEMSELVES AS BEING IN A PRIVILEGED POSITION TO PROMOTE EUROPEAN DIALOGUE WITH AFRICA AND LATIN AMERICA.
- (D) MAJORITY RULE IN SOUTHERN AFRICA: THE GOP IS FIRMLY COMMITTED TO MAJORITY RULE IN SOUTHERN AFRICA. THE GOVERNING SOCIALIST PARTY REAFFIRMED ITS OPPOSITION TO APARTHEID FOLLOWING A MEETING OF ITS NATIONAL SECRETARIAT OVER THE PAST WEEKEND. THE GOP SUPPORTS RELEVANT U.N. RESOLUTIONS.
- (E) TOWARD A MIDDLE EAST SETTLEMENT: THE PORTUGUESE ARE SYMPATHETIC TO USG EFFORTS TO PROMOTE A SETTLEMENT BUT CONSIDER THEMSELVES ON THE PERIPHERY WHILE BEING DEPENDENT UPON ARAB OIL.
- (F) HUMAN RIGHTS: THE GOP FULLY SUPPORTS US
 INITIATIVES AND HAS SHOWN ITS WILLINGNESS TO SAY SO
 PUBLICLY. THE EXEMPLARY RECORD WHICH THE CURRENT GOP HAS COMPILED
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RECENTLY PUTS IT IN AN EXCELLENT POSITION TO SPEAK WITH AUTHORITY IN THIS AREA.

- 2. DOMESTIC CONSTRAINTS:
- (A) ARMS PROLIFERATION: PORTUGAL, AS A RESULT OF ENFORCED ISOLATION DURING THE AFRICAN WARS, HAS DEVELOPED A SIGNIFICANT CAPABILITY TO PRODUCE SMALL ARMS AND AMMUNITION. DECOLONIZATION AND THE WEAK ECONOMIC SITUATION HERE HAVE COMBINED TO EXERT PRESSURE ON THE GOP TO PERMIT MUNITIONS EXPORTS TO GENERATE EMPLOYMENT AND FOREIGN EXCHANGE. LATENT NATIONALISM WITHIN SOME ELEMENTS OF THE ARMED FORCES IS ALSO A FACTOR.
- (B) MTN: AS A CONSEQUENCE OF ITS SERIOUS BALANCE OF PAYMENTS PROBLEM AND WEAK INDUSTRIAL STRUCTURE, THE GOP HAS IMPOSED STRONG IMPORT CONSTRAINTS, E.G., IMPORT QUOTAS, SURTAXES, AND PRIOR IMPORT DEPOSITS. THESE MEASURES COULD COMPLICATE PORTUGAL'S PARTICIPATION IN ANY DECISIONS REACHED BY THE MTN.

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FOR LAKE, S/P

- (C) NORTH-SOUTH POLICIES: THE PORTUGUESE VIEW
 THEMSELVES AS A BRIDGE BETWEEN NORTH AND SOUTH. THIS
 IMPLIES, INTER ALIA, THAT PORTUGAL DOMESTICALLY REFLECTS
 THE VIEWS OF BOTH SIDES IN THE DEBATE. THE GOP MUST,
 THEREFORE, DO SOME DOMESTIC CONSENSUS BUILDING BEFORE
 ITS POTENTIAL CONCILIATORY ROLE CAN BE PLAYED OUTSIDE PORTUGAL.
- (D) MAJORITY RULE: WHILE THE GOP POSITION IS FIRM, DISSENTING VIEWS ARE STRONGLY HELD. LATENT REVANCHISM IS A CONSIDERATION WITH A SMALL RIGHTWING MINORITY. DISGRUNTLED REFUGEES FROM THE FORMER AFRICAN COLONIES FEEL THEMSELVES THE SUBJECT OF DOMESTIC DISCRIMINATION IN PORTUGAL. THE ECONOMIC SITUATION MAKES IT EVEN MORE DIFFICULT FOR THE GOP TO SATISFY THEIR NEEDS. PROBLEMS ARE COMPOUNDED BY A LARGE PORTUGUESE COLONY RESIDENT IN SOUTH AFRICA.
- (E) MIDDLE EAST: THE UPGRADING OF EMBASSIES WITH ISRAEL TO THE AMBASSADORIAL LEVEL SPARKED A MINOR POLITICAL FLAP IN LISBON. THE GOVERNMENT HAS BEEN ROUNDLY CRITICIZED IN OPPOSITION CIRCLES, LESS FOR THE DECISION THAN FOR ITS TIMING. THE FOREIGN MINISTRY HAS SOUGHT TO CALM STRONG ARAB REACTIONS BY TILTING TOWARD THEIR POSITION ON OTHER CONFIDENTIAL

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ISSUES, E.G., PLO RECOGNITION.

- (F) HUMAN RIGHTS: THE US POSITION IS WIDELY ACCLAIMED. THERE ARE ONLY MINOR GRUMBLINGS COMING MAINLY FROM THOSE WITH A NOSTALGIA FOR A RETURN TO THE PAST. THESE INDIVIDUALS TEND TO EQUATE DEFENSE OF HUMAN RIGHTS WITH DEFENSE OF RIGHTS, MAINLY PROPERTY, THEY PREVIOUSLY ENJOYED.
- 3. EXPECTATIONS OF THE U.S.:
- (A) ARMS PROLIFERATION: THE GOP LOOKS TO THE US FOR LEADERSHIP. THE PORTUGUESE REGARD CONTINUED PROGRESS TOWARD DETENTE AS ESSENTIAL.
- (B) MTN: THE PORTUGUESE HAVE PLAYED A PASSIVE ROLE. THEY INCLINE TOWARD OUR POSITION BUT ASK US TO UNDERSTAND THE CURRENT ECONOMIC CONSTRAINTS THEY FACE. THEY HOPE OUR PRESSURE ON THE EC TO REDUCE TARIFF BARRIERS WILL BENEFIT THEIR PRINCIPAL EXPORTS--TEXTILES AND WINE.
- (C) NORTH-SOUTH POLICIES: THE PORTUGUESE ARE PREPARED TO PLAY A ROLE AND WOULD LIKE TO WORK CLOSELY WITH US. THEY LOOK TO US TO INITIATE CONSULTATIONS ON MAJOR NORTH-SOUTH ISSUES.
- (D) MAJORITY RULE: THE PORTUGUESE ARE GENERALLY HAPPY WITH THE US ROLE IN AFRICA, ALTHOUGH A BIT UNNERVED AT TIMES WITH SOME OF OUR PUBLIC STATEMENTS. THEY LOOK TO THE USG TO CONTINUE ITS ACTIVE SUPPORT FOR MAJORITY RULE, WHICH THEY SEE, INTER ALIA, AS A USEFUL WAY OF KEEPING THE SOVIETS ON THE DEFENSIVE IN AFRICA AND ELSEWHERE.

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- (E) MIDDLE EAST: THE PORTUGUESE ARE PLEASED WITH OUR EFFORTS TO SECURE A SETTLEMENT, BUT THEY FEEL THEMSELVES VULNERABLE AND LOOK TO THE US FOR CONTINUING CONSULTATIONS IN ORDER TO AVOID SURPRISES. THE GOP IS PARTICULARLY SENSITIVE ABOUT POSSIBLE MIDDLE EAST RESUPPLY OPERATIONS THROUGH THE AZORES.
- (F) HUMAN RIGHTS: THE GOP LOOKS TO THE US TO CONTINUE ITS EMPHASIS ON HUMAN RIGHTS. IT EXPECTS A CONSISTENCY OF APPLICATION OF HUMAN RIGHTS POLICIES BY THE US AND WILL BE SENSITIVE TO ANY BALKING BY THE USG WHEN ITS OWN INTERESTS ARE AT STAKE.

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FOR LAKE, S/P

- 4. WOULD ANOTHER GOVERNMENT MAKE ANY DIFFERENCE: THE SOARES GOVERNMENT IS UNDER INCREASING PRESSURE TO BROADEN ITS BASE. IT REACHED AN UNDERSTANDING WITH THE SOCIAL DEMOCRATS AT THE END OF THE AUGUST LEGISLATIVE ASSEMBLY SESSION WHICH PERMITTED THE PASSAGE OF KEY ECONOMIC LEGISLATION. FURTHER DISCUSSIONS WITH THE SOCIAL DEMOCRATS AND OTHERS WILL BE HELD WHEN THE ASSEMBLY RESUMES IN MID-OCTOBER. SOARES IS EXPECTED TO RESHUFFLE HIS CABINET IN THE NEXT FEW WEEKS IN A FURTHER EFFORT TO BROADEN HIS BASE OF SUPPORT. THE MOST LIKELY ALTERNATIVE TO THE CURRENT GOVERNMENT IS ANOTHER WITH SIMILAR VIEWS ON MAJOR ISSUES OF CONCERN TO US.
- -- ON ARMS PROLIFERATION, TRADE, AND NORTH-SOUTH ISSUES, THERE WOULD LIKELY BE NO CHANGE SHOULD THE SOARES GOVERNMENT MOVE FARTHER TO THE RIGHT OR GIVE WAY TO A PRESIDENTIAL GOVERNMENT.
- -- ON MAJORITY RULE IN SOUTHERN AFRICA AND HUMAN RIGHTS AGAIN NO SIGNIFICANT CHANGE. OUR POSTURE ON HUMAN RIGHTS WOULD CONTINUE TO RECEIVE SUPPORT AS WOULD OUR EFFORTS TO PROMOTE MAJORITY RULE IN SOUTHERN AFRICA. THERE MIGHT, HOWEVER, BE SOME SLACKENING IN PUBLIC CONFIDENTIAL

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SUPPORT BY THE GOP TO THE EXTENT MORE CONSERVATIVE ELEMENTS PLAYED A LARGER ROLE IN GOVERNMENT.

- -- ON THE MIDDLE EAST, A MOVE FARTHER TO THE RIGHT BY THE GOP WOULD PROBABLY IMPLY MORE SYMPATHY TOWARD THE ARAB POSITION. IT WOULD MEAN AN INDEFINITE DELAY IN THE DISPATCH OF A PORTUGUESE AMBASSADOR TO TEL AVIV AND MORE OPEN COURTING OF THE ARABS IN INTERNATIONAL FORUMS.
- 5. TRADE OFFS AND PRIORITIES:
- (A) IN CONSIDERING POTENTIAL GOP CONTRIBUTIONS TO OUR POLICY GOALS, HUMAN RIGHTS WOULD BE AT THE TOP OF THE LIST. THE GOP HAS AN EXCELLENT RECORD AND OUR ASSOCIATION WITH THE DEMOCRATIC PROCESS HERE IS WIDELY RECOGNIZED. THE GOP IS WILLING AND ABLE TO ASSIST US INITIATIVES.
- (B) MAJORITY RULE IN SOUTHERN AFRICA: THE GOP IS A DEMOCRATIC SUCCESS STORY. IT HAS SOLID TIES IN AFRICA WHERE AOURS TEND TO BE WEAK, E.G., ANGOLA.
- (C) NORTH-SOUTH POLICIES: WE SHOULD BE ABLE TO CAPITALIZE ON GOP ASPIRATIONS TO ACT AS A BRIDGE BETWEEN NORTH AND SOUTH. MARIO SOARES'S SOCIALIST INTERNATIONAL CONNECTIONS ARE AN ASSET WHICH CAN BE DRAWN UPON.
- (D) MIDDLE EAST: THE GOP IS CAUGHT IN THE MIDDLE ON THIS ONE, AND IS NOT IN A POSITION TO DO MUCH TO HELP.
- (E) ARMS PROLIFERATION AND TRADE: THE GOP IS OPEN TO SUGGESTIONS BUT HAS LIMITED CAPABILITY IN EITHER AREA.

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